

**House File 580 - Introduced**

HOUSE FILE 580  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 61)

**A BILL FOR**

1 An Act providing for business entities qualifying for Iowa  
2 start-up businesses, including the payment of fees by  
3 persons forming or organizing such entities.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA START-UP BUSINESS INITIATIVE

Section 1. NEW SECTION. 9.11 Definitions.

As used in this subchapter, unless the context otherwise requires:

1. "*Business entity*" means a business operating on a profit, nonprofit, or cooperative basis formed or organized under the laws of this state, as a partnership or limited liability partnership under chapter 486A; limited partnership under chapter 488; limited liability company including a professional limited liability company under chapter 489; corporation under chapter 490; cooperative association under chapter 499, 501, or 501A; or nonprofit corporation under chapter 504.

2. "*Foreign business entity*" means a business operating on a profit, nonprofit, or cooperative basis, that is formed or organized in another jurisdiction, including an entity that receives authority from the secretary of state to transact business in this state as a foreign limited liability partnership as provided in section 486A.1102; foreign limited partnership under section 488.902; foreign limited liability company or foreign professional limited liability company under section 489.802; foreign corporation under section 490.1503; foreign cooperative association under section 499.54 or 490.1503; foreign cooperative association under section 501A.221; or foreign nonprofit corporation under section 504.1503.

Sec. 2. NEW SECTION. 9.12 Business entities qualifying as Iowa start-up businesses.

1. In order to qualify as an Iowa start-up business, a business entity shall file an organic document with the secretary of state which includes the following:

a. For a partnership, a statement of partnership authority under section 486A.303. However, the statement must be filed within six months from the date that the partnership first acquired property as provided in section 486A.204.

1     *b.* For a limited partnership, a certificate of limited  
2 partnership under section 488.201.

3     *c.* For a limited liability company, a certificate of  
4 organization under section 489.201.

5     *d.* For a corporation, articles of incorporation under  
6 section 490.202.

7     *e.* For a cooperative association, the following:

8         (1) Articles of incorporation under section 499.40.

9         (2) Articles of organization under section 501.202.

10        (3) Articles of organization under section 501A.503.

11     *f.* For a nonprofit corporation, articles of incorporation  
12 under section 504.202.

13     2. A business entity described in subsection 1 does not  
14 qualify as an Iowa start-up business if any of the following  
15 apply:

16        *a.* Another business entity or a foreign business entity  
17 holds an equity interest in the business entity.

18        *b.* The business entity does not employ at least one  
19 individual who works thirty-five hours per week or more.

20        *c.* The business entity is formed or organized by the same  
21 person who formed or organized a business entity in the prior  
22 twelve months.

23        *d.* Any other factor established by the secretary of state  
24 exists.

25     Sec. 3. NEW SECTION. **9.13 Iowa start-up businesses — fees.**

26     A business entity qualifying as an Iowa start-up business  
27 shall not be charged a fee that is otherwise required to be  
28 paid to the secretary of state as a direct result of forming  
29 or organizing a business entity with the secretary of state,  
30 including fees associated with filing an organic document with  
31 the secretary of state pursuant to the following:

32        1. For a partnership, a statement of partnership authority  
33 under section 486A.1202.

34        2. For a limited partnership, a certificate of limited  
35 partnership under section 488.1206.

1 3. For a limited liability company, a certificate of  
2 organization under section 489.117.

3 4. For a corporation, articles of incorporation under  
4 section 490.122.

5 5. For a cooperative association, the following:

6 a. Articles of incorporation under section 499.45.

7 b. Articles of organization under section 501.105.

8 c. Articles of organization under section 501A.205.

9 6. For a nonprofit corporation, articles of incorporation  
10 under section 504.113.

11 Sec. 4. NEW SECTION. 9.14 Rulemaking.

12 The secretary of state shall adopt rules as necessary in  
13 order to implement and administer this subchapter.

14 Sec. 5. CODE EDITOR DIRECTIVE. The Code editor shall codify  
15 the provisions designated for codification in this division of  
16 this Act as new subchapter II of chapter 9.

17 DIVISION II

18 COORDINATING AMENDMENTS

19 Sec. 6. Section 486A.1202, Code 2013, is amended by adding  
20 the following new subsection:

21 NEW SUBSECTION. 1A. Notwithstanding subsection 1, a fee  
22 shall not be charged to an Iowa start-up business for filing a  
23 statement of partnership authority under section 486A.303, or  
24 any other document determined by the secretary of state to be  
25 an organic document, as provided in section 9.13.

26 Sec. 7. Section 488.1206, Code 2013, is amended by adding  
27 the following new subsection:

28 NEW SUBSECTION. 1A. Notwithstanding subsection 1, a fee  
29 shall not be charged to an Iowa start-up business for filing a  
30 certificate of limited partnership under section 488.201, or  
31 any other document determined by the secretary of state to be  
32 an organic document, as provided in section 9.13.

33 Sec. 8. Section 489.117, Code 2013, is amended by adding the  
34 following new subsection:

35 NEW SUBSECTION. 1A. Notwithstanding subsection 1, a fee

1 shall not be charged to an Iowa start-up business for filing a  
2 certificate of organization under section 489.201, or any other  
3 document determined by the secretary of state to be an organic  
4 document, as provided in section 9.13.

5 Sec. 9. Section 490.122, Code 2013, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 1A. Notwithstanding subsection 1, a fee  
8 shall not be charged to an Iowa start-up business for filing  
9 articles of incorporation under section 490.202, or any other  
10 document determined by the secretary of state to be an organic  
11 document, as provided in section 9.13.

12 Sec. 10. Section 499.45, Code 2013, is amended to read as  
13 follows:

14 **499.45 Fees.**

15 1. A fee of twenty dollars shall be paid to the secretary  
16 of state upon filing articles of incorporation, amendments, or  
17 renewals.

18 1A. Notwithstanding subsection 1, a fee shall not be  
19 charged to an Iowa start-up business for filing articles of  
20 incorporation under section 499.40, or any other document  
21 determined by the secretary of state to be an organic document,  
22 as provided in section 9.13.

23 2. Except as provided in this section, the association shall  
24 pay the fees prescribed by section 490.122 when the documents  
25 described in that section are delivered to the secretary of  
26 state for filing.

27 Sec. 11. Section 501.105, Code 2013, is amended by adding  
28 the following new subsection:

29 NEW SUBSECTION. 3A. Notwithstanding subsection 3, a fee  
30 shall not be charged to an Iowa start-up business for filing  
31 articles of organization under section 501.202, or any other  
32 document determined by the secretary of state to be an organic  
33 document, as provided in section 9.13.

34 Sec. 12. Section 501A.205, Code 2013, is amended by adding  
35 the following new subsection:



1 factor established by the secretary of state.

2 The secretary of state is required to adopt rules necessary  
3 in order to implement and administer the bill's provisions.

4 The Code editor is required to codify the new provisions in  
5 the bill as a new subchapter in Code chapter 9. The bill also  
6 provides a number of coordinating provisions in each Code  
7 chapter which requires a business entity to pay the secretary  
8 of state fees for filing organic documents.